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OF COUNSEL
WILLIAM G. CONLY

August 25, 2005

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Zone, Reservoir A, ELM GROVE FIELD,
Caddo Parish, Louisiana.

Dear Sir:

SUNLAND PRODUCTION COMPANY, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Hosston Zone, Reservoir A, in the Elm Grove Field, Caddo Parish, Louisiana:

1. To permit Applicant to drill, designate and utilize one (1) additional alternate unit well for HOSS RA SU100 at the location shown on the attached plat, in exception to the spacing provisions of Office of Conservation Order No. 361-A-1, effective October 1, 1972.
2. To find that the proposed additional alternate unit well is necessary to efficiently and economically drain a portion of the Hosston Zone, Reservoir A, underlying HOSS RA SU100 which cannot be efficiently and economically drained by any existing well on these units.
3. To discuss such other matters as may be pertinent to this application.

The Hosston Zone, Reservoir A, in the Elm Grove Field, Caddo, Webster, Bienville and Bossier Parishes, Louisiana, was defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent Orders of the 361-A series of Orders.

Pertinent data concerning this application is available for inspection at the offices of Sunland Production Company, Inc., 416 Travis Street, Suite 1404, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Mr. Don Easterwood at (318) 222-3538 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

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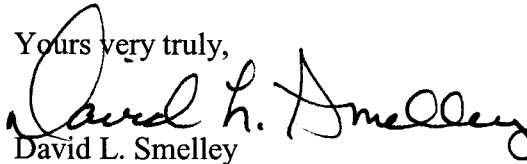
As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of the attached plat, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Elm Grove Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose a check payable to the Commissioner of Conservation for the application fee.

Yours very truly,

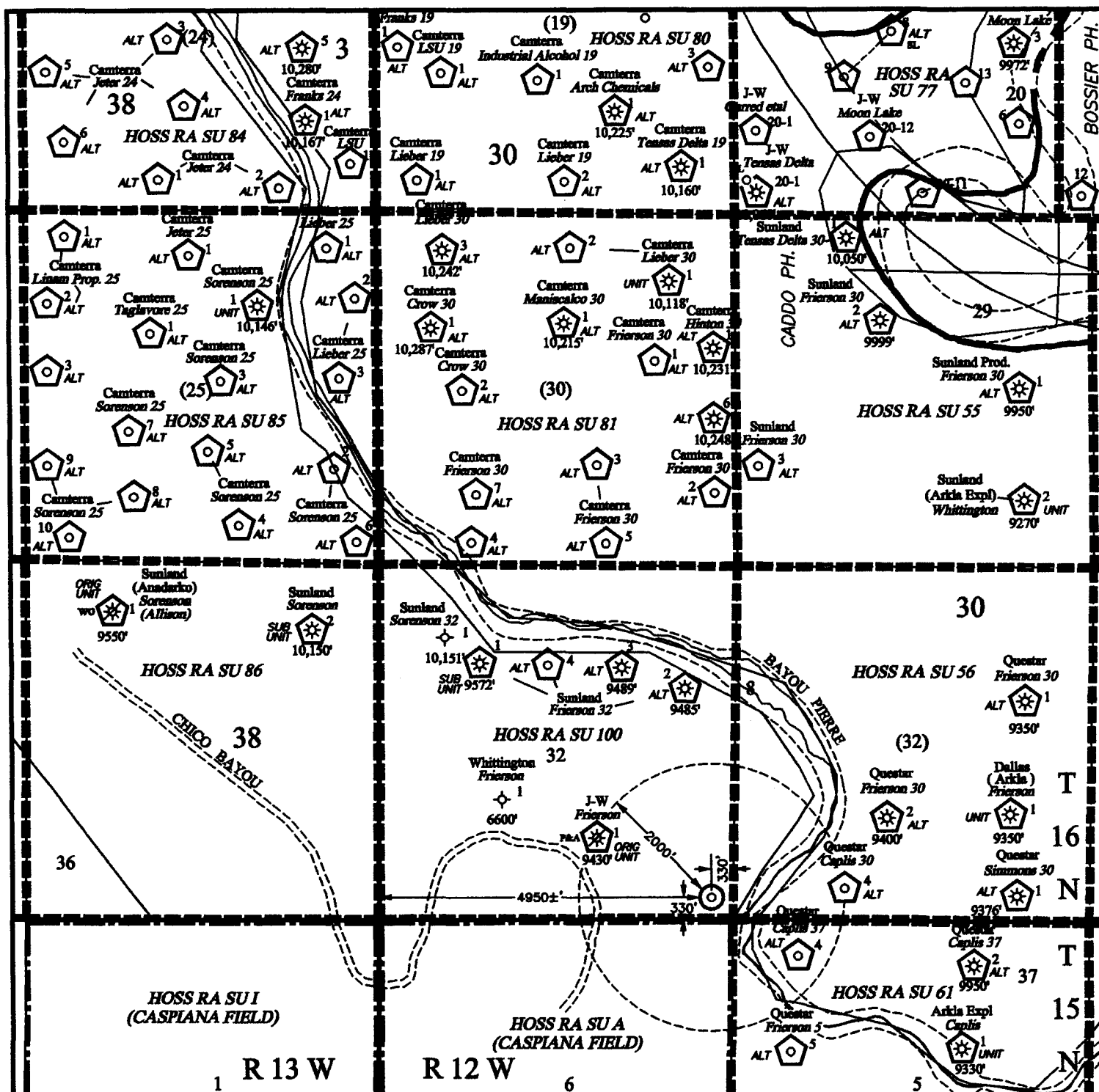


David L. Smelley

-- Attorney for Sunland Production Company, Inc.

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. Don Easterwood (w/encls.)
Mr. Joe B. Adams (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plat only)



SUNLAND PRODUCTION COMPANY, INC.
SHREVEPORT, LOUISIANA

SHREVEPORT, LOUISIANA

ELM GROVE FIELD
CADDO PARISH, LOUISIANA

CADDO PARISH, LOUISIANA

PROPOSED ALTERNATE UNIT WELL AT EXCEPTIONAL LOCATION FOR HOSSTON RESERVOIR A SAND UNIT 100

-----:EXISTING HOSSTON RESERVOIR A SAND UNITS

⑥ :PROPOSED ALTERNATE UNIT WELL

 :EXISTING HOSSTON RESERVOIR A
UNIT AND ALTERNATE UNIT WELLS



GRAPHIC SCALE